

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 54**  
94TH GENERAL ASSEMBLY

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Reported from the Committee on Commerce, Energy and the Environment, February 22, 2007, with recommendation that the Senate Committee Substitute do pass.

0467S.02C

TERRY L. SPIELER, Secretary.

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**AN ACT**

To amend chapter 393, RSMo, by adding thereto five new sections relating to the green power initiative, with an effective date.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 393, RSMo, is amended by adding thereto five new sections, to be known as sections 393.1020, 393.1025, 393.1030, 393.1035, and 393.1040, to read as follows:

**393.1020. 1. It is the general assembly's intent to encourage the development and utilization of technically feasible and economical renewable technologies, creating cleaner and more sustainable forms of energy for the residents of the state. It is for this reason that sections 393.1020 to 393.1040 shall be known as the "Green Power Initiative".**

**2. The definitions provided in section 386.020, RSMo, shall apply to sections 393.1020 to 393.1040. As used in sections 393.1020 to 393.1040, the following terms mean:**

- (1) "Department", the department of natural resources;**
- (2) "Eligible renewable energy technology", sources of energy that shall be considered renewable for purposes of this section shall include but not be limited to the following:**
  - (a) Solar, including photovoltaic cells, concentrating solar power technologies, and low temperature solar collectors;**
  - (b) Wind;**
  - (c) Hydroelectric, not including pump-storage;**
  - (d) Hydrogen from renewable sources;**
  - (e) Biomass, any organic matter available on a renewable basis,**

20 including dedicated energy crops and trees, agricultural food and feed  
21 crops, agricultural crop wastes and residues, wood wastes and residues,  
22 animal waste, aquatic plants, biogas from landfills or wastewater  
23 treatment plants; and

24 (f) Other renewable energy sources defined by rule by the  
25 commission after consultation with the department;

26 (3) "Energy efficiency", verifiable reductions in energy  
27 consumption, or verifiable reductions in the rate of energy  
28 consumption growth, as defined by rule by the commission after  
29 consultation with the department, as a result of measures implemented  
30 by electrical corporations and electricity consumers which may  
31 include, but not be limited to, pricing signals, electronic controls,  
32 education, information, infrastructure improvements, and the use of  
33 high efficiency equipment and lighting;

34 (4) "Total retail electric sales", the kilowatt-hours of electricity  
35 delivered in a year by an electrical corporation to its Missouri retail  
36 customers.

393.1025. 1. Each electrical corporation shall make a good faith  
2 effort to generate or procure sufficient electricity generated by an  
3 eligible renewable energy technology, and support energy efficiency  
4 measures, so that by 2012, three percent of total retail electric sales in  
5 the aggregate by electrical corporations is generated by eligible  
6 renewable energy technologies, increasing to seven percent by 2015,  
7 and ten percent generated by eligible renewable energy technologies  
8 by 2020. Generation provided by any existing eligible renewable energy  
9 technology, owned, controlled, or purchased by electrical corporations,  
10 that are operational prior to August 28, 2007, shall be applied towards  
11 meeting the objective so long as it continues to generate  
12 electricity. Credit towards the objective also may be achieved through  
13 energy efficiency that includes electrical corporation and consumer  
14 efforts to reduce the consumption of electric energy. After consulting  
15 with the department, the commission may establish intermediate goals  
16 for the use of renewable energy technologies as part of its rulemaking  
17 process.

18 2. By July 1, 2008, the commission shall, after consultation with  
19 the department, adopt rules that integrate into its resource planning  
20 rules the renewable energy objective of subsection 1 of this section and

21 the criteria and standards by which it will measure an electrical  
22 corporation's efforts to meet that objective to determine whether it is  
23 making the required good faith effort. In this rulemaking, the  
24 commission shall include criteria and standards that, at a minimum,  
25 shall:

26 (1) Protect against adverse economic impacts, including the costs  
27 of any transmission investments necessary to access eligible renewable  
28 energy technologies, on the ratepayers and shareholders;

29 (2) Protect against undesirable impacts on the reliability of each  
30 electrical corporation's system;

31 (3) Consider environmental compliance costs, present and future,  
32 of each source being evaluated; and

33 (4) Consider technical feasibility, providing for flexibility in  
34 meeting the objective in the event electrical corporations are, for good  
35 cause shown, unable to meet in aggregate the objective of this section.

36 3. In its rulemaking under this section, the commission shall  
37 provide for a weighted scale of how energy produced by various  
38 eligible renewable energy technologies shall count toward an electrical  
39 corporation's objective. In establishing this scale, the commission shall  
40 consider the attributes of various technologies and fuels and shall  
41 establish a system that grants multiple credits toward the objective for  
42 those technologies and fuels the commission determines are in the  
43 public interest to encourage. The commission may also grant multiple  
44 credits toward the objective for generation in the state or procurement  
45 of electricity generated in the state that uses an eligible renewable  
46 energy technology.

47 4. The commission shall develop rules as provided in this section  
48 in consultation with the department as necessary to implement the  
49 requirements of section 393.1025. Any rule or portion of a rule, as that  
50 term is defined in section 536.010, RSMo, that is created under the  
51 authority delegated in this section and section 393.1020 shall become  
52 effective only if it complies with and is subject to all of the provisions  
53 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This  
54 section and chapter 536, RSMo, are nonseverable and if any of the  
55 powers vested with the general assembly pursuant to chapter 536,  
56 RSMo, to review, to delay the effective date, or to disapprove and annul  
57 a rule are subsequently held unconstitutional, then the grant of

58 rulemaking authority and any rule proposed or adopted after August  
59 28, 2007, shall be invalid and void.

393.1030. 1. Each electric corporation shall submit to the  
2 commission a biennial report by December thirty-first, beginning in  
3 2009, on its plans, activities, and progress with regard to the objective  
4 of section 393.1025, demonstrating to the commission that it is making  
5 the required good faith effort. The report must be submitted in a  
6 format prescribed by the commission, not to exceed fifty pages, and it  
7 shall include the following:

8 (1) Sufficient data to specify and verify the status of its  
9 renewable energy mix relative to the good faith objective;

10 (2) Sufficient data to specify and verify the status of the electric  
11 corporation's and its customers' energy efficiency efforts relative to the  
12 good faith objective;

13 (3) Efforts taken to meet the objective;

14 (4) Any obstacles encountered or anticipated in meeting the  
15 objective; and

16 (5) Potential solutions to the obstacles.

17 2. The commission shall compile the information provided under  
18 subsection 1 of this section and biennially report by July first,  
19 beginning in 2010, to the governor, the speaker of the house of  
20 representatives, the president pro tempore of the senate, the chairs of  
21 the committees in the house of representatives and senate with  
22 jurisdiction over energy and environment policy issues, and the  
23 department as to the progress of electrical corporations in the state in  
24 increasing the amount of renewable energy provided to retail  
25 customers and increasing energy efficiency, with any recommendations  
26 for regulatory or legislative action. In addition, the Missouri director  
27 of the department of economic development shall issue a biennial  
28 report by July first, beginning in 2010, on the impact of the renewable  
29 portfolio standard on the Missouri economy and the director of the  
30 department of natural resources shall issue a biennial report by July  
31 first, beginning in 2010, on the environmental impact of sections  
32 393.1020 to 393.1040. The biennial reporting requirements under this  
33 subsection shall end after July 1, 2022.

393.1035. 1. Electricity produced by fuel combustion may only  
2 count toward an electrical corporation's objectives if the generation

3 facility complies with all federal and state statutes and rules.

4       **2. An electrical corporation may blend or co-fire a fuel listed in**  
5 **subsection 2 of section 393.1020, with other fuels in the generation**  
6 **facility, but only the percentage of electricity that is attributable to a**  
7 **fuel listed in that section can be counted toward an electric**  
8 **corporation's renewable energy objectives.**

**393.1040. In addition to the renewable energy objectives set forth**  
2 **in sections 393.1025, 393.1030, and 393.1035, it is also the policy of this**  
3 **state to encourage electrical corporations to develop and administer**  
4 **energy efficiency initiatives that reduce the annual growth in energy**  
5 **consumption and the need to build additional electric generation**  
6 **capacity.**

      Section B. Section A of this act shall become effective January 1, 2008.

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Bill

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